MEMORANDUM ON THE PRESENT POSITION OF CO-OPERATIVE SOCIETIES IN MYSORE.

Camp Talkad dated 20th May 1912.

A Co-operative Society is primarily an association of persons for certain economic purposes. Any seven or more persons may be associated for any lawful purpose and register themselves as a company under the Mysore Companies Regulation, No. III of 1895. If it consist of more than ten persons for banking or more than twenty for any other business that has for its object gain by the Company, it *shall* be registered under the Companies Regulation generally. When the association consists of seven or more persons who combine for any literary, scientific or charitable purpose it may register itself under Regulation No. III of 1904. Co-operative Societies on the other hand are Societies registered under Regulation III of 1905 and the rules framed thereunder.

2. Such Societies shall consist of ten or more persons above the age of eighteen years, who have for their common object or objects some one or more of the following, namely,—

(1) the furtherance or thrift and providence among the members;

(2) the attraction of capital and the grant of credit to the members;

(3) the supply to members of raw material, seed or manure;

(4) the sale on behalf of members of agricultural produce or of manufactured goods;

(5) the manufacture of goods or growth of produce by the members co-operatively;

(6) the purchase of food stuffs, clothing or other article of consumption, or of animals, implements or other stock required in agriculture or industry, and their retail sale to members;

(7) the purchase of machinery and its use in common by members.

(8) the building of houses, or purchase of lands for members;

(9) the carrying out or development by joint action of an improvement whether agricultural or industrial;

(10) any other object calculated to promote the economic benefit of the members, which may be approved by Government by special order in each case.

3. Any ten or more persons having for their common object some one or more of those specified above and agreeing each to make such payment or acquire such interest as may be prescribed by its bye-laws, may apply to the Registrar to be registered as a Society.

4. If the Registrar is satisfied that the persons proposing to form a Society have complied with the provisions of this Regulation and with the rules made thereunder, he may, if he thinks fit, register the Society accordingly, and the Society shall thereupon become and be a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold property, movable or immovable, to enter into contracts, to institute and defend Civil suits and to do all things necessary for the purposes of its constitution.

5. The Registrar shall audit the accounts of each Society at least once every year. The Registrar and the Deputy Commissioner may inspect the books, accounts, papers and securities of the Societies as often as they like. The Societies shall send monthly and annual returns and reports of their proceedings to the Registrar, who checks their correctness and correspondence with the rules of the Societies and advises them generally on all matters.

6. Co-operative Societies have been granted the following privileges by the Government:—

(*a*) The share or interest of a member in the capital of the Society is not liable to attachment for the money decree of a Civil Court.

(*b*) A Society has priority to other creditors to enforce its claim—

(i) upon the crops or other agricultural produce of present or past members at any time within a year from the date when seed or manure was advanced, or money for their purchase was lent.

(ii) upon any cattle, agricultural or industrial implements or raw material for manufactures, supplied by the Society or purchased in whole or in part with money lent by the Society.

(*c*) The Societies are exempted from the payment of stamp duty and Registration fees on their documents.

(*d*) The suits between Societies and their members are decreed by the Registrar and executed by the Deputy Commissioner. No Court fee of any kind is levied.

7. With a view to foster their growth still better, certain restrictive conditions have been imposed on the Societies, intended for their more efficacious management. They are:—

(*a*) that only persons known as honest, thrifty and industrious be admitted as members, and expelled when they infringe these requirements,

(*b*) that the members of a Society shall be persons living in each other's neighbourhood and knowing each other's economic position and needs,

(*c*) that Societies be managed democratically by elected Panchayats, each member having a vote on all questions arising in the Society,

(*d*) that no loan be granted to any person other than a member,

(*e*) that no money be borrowed from outside the Society without the Registrar's scrutiny and sanction, and

(*f*) that a reserve of not less than 25 per cent of the profits of each year be built up to meet unforeseen losses.

8. Having very briefly indicated what a Co-operative Society is, its objects, privileges, safeguards and the method of bringing it into existence, the general progress of the Co-operative movement in Mysore from year to year may next be tabulated as follows:—

Year	Number of Societies	Number of members	Working capital	Total disbursements	Reserve fund
			Rs.	Rs.	Rs.
1905-06	5	362	14,243	10,581	...
1906-07	15	1,191	28,085	78,216	167
1907-08	27	2,521	64,126	2,43,477	924
1908-09	45	4,551	1,35,499	4,81,768	2,340
1909-10	70	6,301	2,16,261	6,68,261	5,831
1910-11	111	9,043	3,71,194	10,31,767	9,549
1911-12 up to 17th May 1912... ...	185	...	...	...	...

9. Classified according to taluks we have:—

District	Taluk	Number of Co-operative Societies up to the end of 17th May 1912
Bangalore	Bangalore Taluk...	12
	Channapatna Taluk	6
	Hoskote Taluk	2
	Magadi Taluk	1
	Nelamangala Taluk	4
	Anekal Taluk	3
	Devanhalli Taluk	1
	Kankanhalli Taluk	1
	Closepet Sub-Taluk	1
	Total ...	31
Kolar	Kolar Taluk	1
	Chikballapur Taluk	1
	Bowringpet Taluk	1
	Sidlaghatta Taluk	1
	Srinivaspur Taluk	1
	Chintamani Taluk	1
	Malur Taluk	1
	Kolar Gold Fields	3
	Total ...	10

District	Taluk	Number of Co-operative Socities up to the end of 17th May 1912
Tumkur	Tumkur Taluk	11
	Sira Taluk	4
	Kunigal Taluk	5
	Gubbi Taluk	2
	Turuvekere Sub-Taluk	2
	Maddagiri Taluk	1
	Pavagada Taluk	2
	Chiknayakanhalli Taluk	2
	Koratagere Sub-Taluk	6
	Tiptur Taluk	4
	Total ...	39
Mysore	Mysore Taluk	12
	Yedatore Taluk	3
	Chamrajnagar Taluk	4
	Malvalli Taluk	4
	Mandya Taluk	3
	French Rocks Sub-Taluk	3
	Hunsur Taluk	1
	Nanjangud Taluk...	2
	T.-Narsipur Taluk	3
	Yelandur Taluk	1
	Heggaddevankote Taluk	4
	Seringapatam Taluk	2
	Gundlupet Taluk...	1
	Total ...	43
Hassan	Hassan Taluk	16
	Belur Taluk	1
	Arkalgud Taluk	5
	Hole-Narsipur Taluk	2
	Channarayapatna Taluk	9
	Arsikere Taluk	6
	Alur Sub-Taluk	5
	Total ...	44
Shimoga	Shimoga Taluk	2
	Channagiri Taluk	5
	Total ...	7
Kadur	Kadur Taluk	1
	Chikmagalur Taluk	3
	Koppa Taluk	1
	Yedahalli Sub-Taluk	1
	Total ...	6
Chitaldrug	Chitaldrug Taluk...	1
	Molakalmuru Taluk	2
	Holalkere Taluk	1
	Harihar Sub-Taluk	1
	Total ...	5
	Grand Total ...	185

10. As elsewhere in India, the largest number of Societies are credit institutions numbering 169. They have all been steadily progressing without a hindrance or set back, as they are the easiest to manage, while at the same time they supply facile credit to every trade and industry. They devote their funds for giving loans mostly for agricultural and other purposes as follows :—

(1) The purchase of seed, manure or agricultural implements.
(2) The purchase of cattle and fodder for cattle.
(3) The manufacture or purchase of country carts.
(4) The payment of kandayam (Sirkar khist) on land.
(5) Improvements to lands and purchase of new lands.
(6) The building, buying or repairing of dwelling houses or cattle sheds.
(7) Advances to artizans for the purchase of implements or the raw materials required for their industry.
(8) Advances to petty traders for purposes of trade.
(9) Payment of prior debts.
(10) The purchase of food grains and other necessaries of life.

The loans of 1910-11 have been calculated to have helped about 6,000 persons with about three lakhs of rupees at an average interest of 12 per cent, who but for the Societies would have paid an average rate of 18 per cent. This saved them a sum of about Rs. 20,000 by the cheaper credit offered by the Societies.

11. Next in order of importance come our Stores Societies numbering thirteen. The total value of stores purchased and sold by these Societies during the year 1910-11 amounted to Rs. 85,405-11-1 and Rs. 87,991-9-9 respectively. They have been most successful in Bangalore, Mysore and in a lesser degree in Kolar. They supply a real urban need by the sale of pure and unadulterated articles at fixed and reasonable rates in honest measure. But their having to contend against keen outside competition in the market coupled with the difficulties of procuring efficient expert management is in the way of further expansion of this kind of distributive Co-operation.

12. There are ten Societies classed as productive. The important industry of weaving is fostered by 7 of them and of these the Societies at Melkote, Mysore, Molakalmuru and Grama have been the most thriving. The value of the total quantity of raw materials purchased and finished products sold, by these Societies during the year 1910-11 was Rs. 47,958-4-7 and Rs. 51,742-2-5 respectively. The Melkote Society, under the management of its capable Secretary, is a worthy model for imitation in other places. The Mysore Society, though with a smaller membership, did even more business than the Melkote Society. The Channapatna Society turns out of wood that was used as fuel its admirable toys of lacware and is an indication of the possibilities of this branch of Co-operation in the future.

13. Other classes of Co-operation in Mysore comprise the Grain Banks, four in number, the District Associations, which are three in number, and the single House-Building Society at Bangalore. The quantity of grain collected during 1910-11 by these Grain Banks was 214 pallas and 58 seers while that lent out was 153 pallas and 84 seers; one of these Grain Banks also issued small cash loans to agriculturists to the extent of Rs. 395. They show no tendency to increase because of the difficulties of their management, especially as most of their purposes are better served by a Credit Institution. The District Associations promote improvements in agriculture and industry.

14. The Societies collect their working capital by shares paid in monthly instalments of four annas and upwards, which conduces to promote thrift amongst the members. Deposits are also received at suitable rates ranging from 4 to 6 per cent so as to attract local capital. Central Banks finance the Societies by outside capital at 7½ per cent. There are two Central Banks, one at Mysore and the other at Bangalore, of which the latter has lent a total sum of Rs. 70,805 to twenty Societies. The Mysore Bank is still in its infancy collecting capital. These sources provide all the requisite capital for Societies and Government aid is rarely solicited in this direction.

15. The Societies are inspected and their accounts audited twice a year. An Inspector generally has charge of thirty Societies, whose welfare he supervises. There are three such Inspectors.

There are three Honorary Organizers, Mr. Badami Krishna Rao in the Mysore District, Mr. T. Venkataramaiya in the Bangalore District, and Mr. H. R. Srinivasa Rao in the Hassan District. They have organized fresh Societies in suitable localities by preaching on the Co-operative movement. Mr. C. D. Ramaswamaiya rendered similar service in the Tumkur District, in fact, pioneering the movement.

A class of Honorary Supervisors of the status of a retired Taluk Sheristadar has also been helping in the supervision of existing Societies. Their charge is generally a taluk in which they have served and where they possess local knowledge and influence. We have ten such Supervisors.

M. A. NARAYANAYANGAR,
Officiating Registrar of Co-operative Societies.